

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7080

BILL NUMBER: SB 423

NOTE PREPARED: Feb 22, 2013

BILL AMENDED: Feb 21, 2013

SUBJECT: Charter School Approval Process.

FIRST AUTHOR: Sen. Rogers

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill provides that before a sponsor may issue a charter for a new charter school that is located in a school corporation in which at least 50% of the public school students attend charter schools, the sponsor must request approval from the governing body of the school corporation to issue the charter. It requires the governing body to consider the benefits to students of allowing the proposed charter school and the impact of the charter school on the school corporation before approving or denying the request. The bill provides that if the request is denied, the sponsor may not issue a charter for the proposed charter school.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *Summary:* The bill could reduce the number of charter schools that might be created within a school corporation if the percentage of students attending charter schools exceeds 50% of the public school students residing in the school district. The bill specifies that the percentage does not include students attending conversion charter schools.

(Revised) *Background:* The two school corporations that are the closest to being able to approve the creation of new charter schools under the bill are the Gary Community Schools and the Indianapolis Public Schools. In FY 2013, about 35.9% of the students residing in the Gary school corporation attended charter schools, and

28.4% of the students in the Indianapolis school corporation attended charter schools.

In FY 2013, Gary had eight charter schools with an ADM of 4,727.5 and had a corporation ADM of 8,430. Meanwhile, Indianapolis had 12,264 students enrolled in charter schools and a corporation ADM of 30,836.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Local schools.

Information Sources:

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